

# Hospital buys Large Scale facility

**Production expected to begin in April**

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When the final papers are signed today, Kentucky Bioprocessing LLC will own the former Large Scale Biology biomanufacturing center in MidAmerica Airpark.

And the new subsidiary of Owensboro Medical Health System plans to hit the ground running.

Barry Bratcher, who was Large Scale's senior director of manufacturing, has been named chief operating officer of Kentucky Bioprocessing.



**Jeff Barber**

Jeff Barber, OMHS president and chief executive officer, said Tuesday that Bratcher will hire four to five other former Large Scale employees this week.

That core group is expected to begin working Monday to get the plant ready to start processing plant-made pharmaceuticals by mid-April.

Getting the plant ready should take 10 to 14 days, Barber said.

The 8-year-old facility was shuttered in December just before California-based Large Scale Biology filed for bankruptcy protection.

Kentucky Bioprocessing has already attracted its first customer, a company affiliated with the University of Louisville, which needs a two-day production of protein for research during April, Barber said.

That company, he said, is expected to relocate to Owensboro.

Kentucky Bioprocessing, Barber said, expects to attract several small research-and-development companies to Owensboro, so they can use the services of the biomanufacturing center.

### **Second customer in April**

He said he hopes to announce a second customer by the middle of April.

That company, Barber said, will need several months of production at the plant.

When that happens, Kentucky Bioprocessing will increase employment to around 12 to 14 people, Barber said.

"We hope to be up to 20 people within 18 months," he said.

Kentucky Bioprocessing is being managed by a three-person board -- Barber; Billy Joe Miles, the hospital's board chairman; and Hugh Haydon, former president of what is now the Greater Owensboro Economic Development Corp.

Haydon is the company's lead market development person, Barber said.

But the hospital is trying to convince Haydon to become chief executive officer, he said.

"It's an interesting idea," Haydon said.

Kentucky Bioprocessing is a business that has to be developed in stages, he said.

The company, Haydon said, has the potential to make Owensboro a world center for bioprocessing.

"The real payoff," he said, "will come in what that site (Kentucky Bioprocessing) makes happen in Owensboro."

Both the University of Louisville and the University of Kentucky have talked about collaboration with the new company, Haydon said.

There are a few thousand companies -- many of them in other countries -- that are potential customers, he said.

Large Scale's customers included companies in Germany and South Africa.

Potential customers range from big pharmaceutical companies to universities to small start-up companies, Haydon said.

Large Scale filed for bankruptcy protection largely because of the costs of its research for cancer vaccines and other products.

### **Won't do research**

But Kentucky Bioprocessing won't be doing research. It will just be manufacturing drugs for other

companies.

That will keep costs lower, and Barber said the hospital expects the new company to be showing a profit within 30 months.

The hospital paid \$6.4 million for the facility and the intellectual property needed to operate it.

Barber said the hospital has a \$2 million line of credit that should be enough to get Kentucky Bioprocessing on its feet.

"This is a tremendous opportunity for the entire community," he said.

Barber said he expects Kentucky Bioprocessing to produce cancer drugs and possibly drugs for influenza, avian flu and AIDS.

The hospital is building a cancer research facility in its Mitchell Cancer Center in a joint effort with the University of Louisville's James Graham Brown Cancer Center.

Dr. Keith Davis has been named director of research at the new center.

And his wife, Dr. Uma Sankar, a stem cell biologist at Duke University, will be joining the team late this year, when the laboratory is ready, Barber said.

The hospital is also courting Dr. Kenneth Palmer, who was director of vaccine programs at Large Scale for eight years.

He would be an ideal fit for the program, Barber said.

Davis said the biomanufacturing facility was a prime reason for his decision to move to Owensboro.

Having the facility owned by the hospital will make operations even more efficient, he said.

### **Center developing vaccines**

The local cancer research center will be working on vaccines and other therapeutics that could be produced by Kentucky Bioprocessing, Davis said.

Getting a vaccine from the lab to the pharmacy generally takes seven to 10 years, Barber said.

"The real opportunity for Owensboro is when a vaccine is approved" for general use, he said.

That's when commercial production of large quantities of drugs can begin.

Monday, the U.S. Bankruptcy Court for the Eastern District of California in Sacramento gave final approval for the sale of the Large Scale facility to Kentucky Bioprocessing.

All that's left now is the signing of the final papers today.

Kentucky Bioprocessing will use the Large Scale method of inserting genes used to create various products into viruses in tobacco plants.

The products are allowed to develop inside the tobacco leaves. Then, the leaves are harvested and ground by machinery to rupture the cells and release the product in a green liquid.

The local facility includes the 30,000-square-foot biomanufacturing facility at 3700 Airpark Drive and the adjacent 22,000-square-foot greenhouse.

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